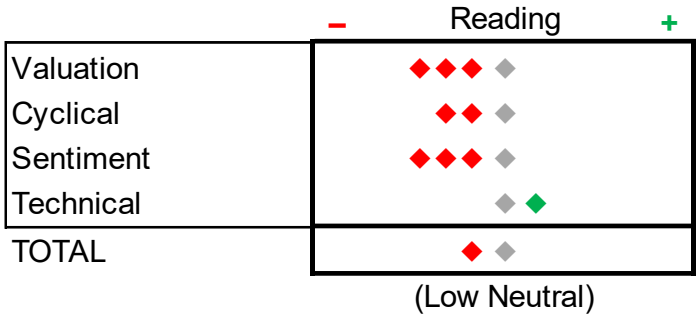
MAJOR TREND INDEX

quant assessment of stock market health

Prepared by Phil Segner

Report date: November 16, 2026
Data for the week ending November 13, 2026

Major Trend Index



November Noise

The gales of November don't seem to have a preferred direction for the equity market. Post-election headwinds turned very favorable last week, lifting most major indices back to where they started the month. The most notable exception was Nvidia, which has now lost one-third of its market value (~$1.8T) since its all-time high on October 6th.

Rate markets also saw a sharp about-face last week. Broad-based inflation in the hotter-than-expected CPI release and subsequent hawkish comments put a 50bps hike at least marginally in play for the December 9th meeting. The two-year Treasury yield gained an eye-popping 35bps, erasing all the declines booked over the last six weeks.

As you may have guessed, our Technical work benefited from the stock bounce. Aside from the restoration in Chart Scores, our Quattro Model swung from max negative to neutral. The perpetually anxious High/Low Logic Models also improved. In an environment where market trends are lasting about as long as a stick of Juicy Fruit, the MTI is unmoved at Low Neutral. Net equity exposure in Leuthold tactical accounts stands at a moderate 51%.

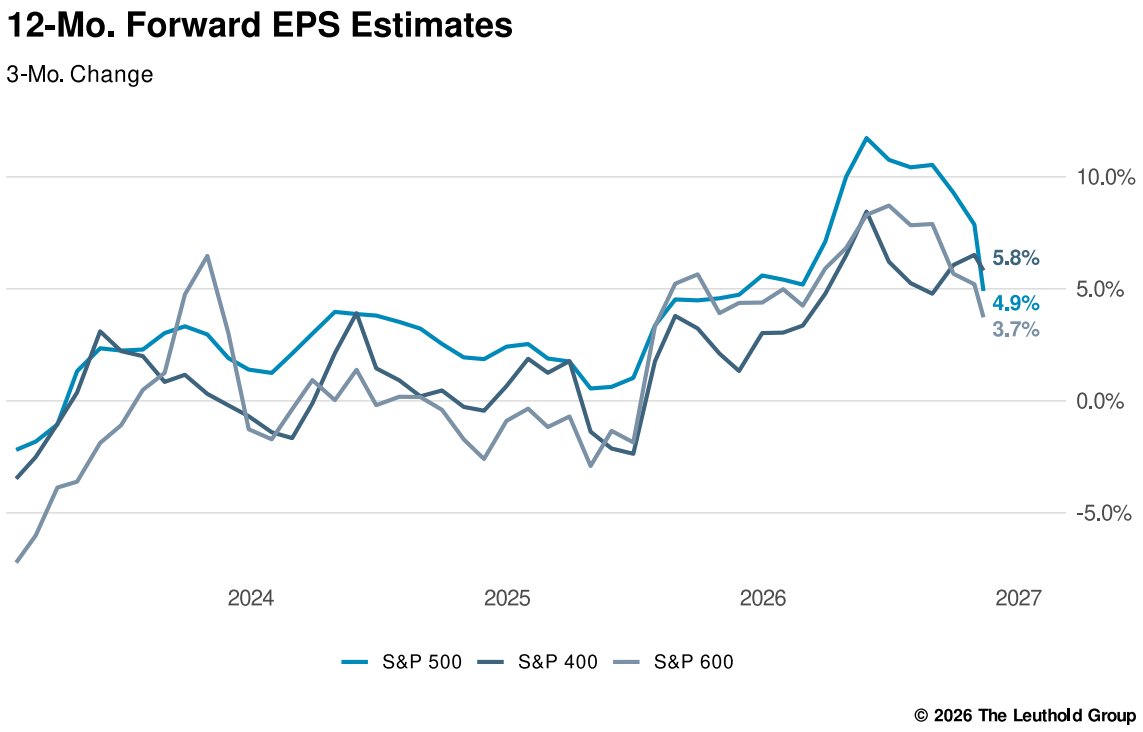
Last week's inflation data translated to zero relief for the glaringly negative Cyclical category. The stock market's resilience in this price-pressure environment is impressive. Our Inflation Scorecard, updated last week, points to more tests ahead for the market, with above-average inflation strain forecasted for the next few months.

Risk appetite continues to wane, even with last week's recovery. The notable exception to this trend is the Boom/Bust Indicator in our Risk-On/Risk-Off factors, which still reads max positive. Popularized by Ed Yardeni, that model compares commodity prices (S&P GSCI Industrial Metals) to initial jobless claims. Typically, the ratio peaks out well in advance of the business cycle. Its current strength, however, owes less to commodity momentum—which has faded in the last few weeks—and more to initial jobless claims holding near generational lows. It's a sore thumb among our other models but, given its history, we're not ready to dismiss it completely.

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November Noise

Last week we mentioned the dimming of forward EPS estimates and our recent downgrade of that corresponding line item (also in the Cyclical purview). We received feedback on that paragraph and felt the need to express the idea in graphical form. The three-month change in NTM EPS estimates shows this deceleration across the S&P 1500. Make no mistake, YOY EPS growth remains robust, but the forward estimate game of "catch-up" may be coming to an end.



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